

IC 20-4-15

Chapter 15. Procedure for Annexing Territory

IC 20-4-15-1

Definitions

Sec. 1. As used in this chapter, the following terms shall have the following meanings:

(a) "Civil city or town" shall be any civil city or civil town.

(b) "Annex", "annexing", "annexation" shall refer to any act of a civil city or town, including but not limited to annexation, incorporation of the civil city or town, and formation in a civil city or town of a city or town school corporation, whereby territory is acquired by one school corporation from another school corporation.

(c) "Acquiring school corporation" shall be the school corporation which acquires territory as a result of any annexation by a civil city or town.

(d) "Original school corporation" shall be any school corporation which loses territory to an acquiring school corporation by annexation.

(e) "Annexed territory" shall be the territory acquired from an original school corporation as a result of annexation by a civil city or town.

(f) "Real property" shall include land, buildings, and all interests in real estate located in the annexed territory and owned by the original school corporation at the time of annexation.

(g) "Indebtedness of an original school corporation" shall be indebtedness on account of unpaid bonds of such original school corporation or its predecessors in interest.

(h) "Depreciated replacement cost" of a building at any time shall mean the then cost of replacing the building with a comparable building built by then current methods and designs and providing the same general facilities, reduced by the sum of the following amounts:

(i) that portion of such replacement cost which is equal to that portion of the useful life of such building which has expired at such time; plus

(ii) such additional amount, if any, as may be necessary to reflect any obsolescence or damage for which allowance is not reasonably made by the reduction specified in subdivision (i).

(Formerly: Acts 1959, c.89, s.1.) As amended by P.L.2-1988, SEC.504.

IC 20-4-15-2

Payment for property by acquiring school corporation; assumption of debt; appraisal

Sec. 2. Whenever any civil city or town shall hereafter annex any territory in which there is located any real property of the original school corporation at the time of such annexation, such real property shall by virtue of such annexation become the property of the acquiring school corporation which shall make the payments

provided by this section. If the original school corporation is indebted at the time of annexation for the acquisition or construction of such real property, the acquiring school corporation shall assume and pay as the same shall become due all instalments of principal and interest which fall due on such indebtedness after the end of the last calendar year in which the original school corporation is entitled to receive current tax receipts from property tax levies on the property in the annexed territory. Such payments shall be made to the original school corporation as agent for payment to the holders of the indebtedness. Such indebtedness shall include but not by way of limitation, any indebtedness the proceeds of which were expended for the costs of acquisition or construction of the real property, and for the architects' fees, attorneys' fees and other costs attributable to such acquisition or construction and to the issuance or securing of such indebtedness. The acquiring school corporation shall also pay to the original school corporation the present value of the real property, less the principal amount of such indebtedness at the time of annexation to be paid by the acquiring school corporation. The present value of any land a part of the real property shall mean the present market value of land, and the present value of any buildings a part of the real property shall be the depreciated replacement cost of such building. The present value of such real property shall be determined by a majority vote of three (3) appraisers, one (1) to be selected by the governing body of the original school corporation, one (1) to be selected by the governing body of the acquiring school corporation, and the third by the appraisers thus appointed. Upon the failure of such appraisers to agree upon a third appraiser, he shall be appointed, upon motion of either such school corporation, by the judge of the circuit court in the county where the real property to be appraised is located. On payment by the acquiring school corporation of the present value of such real property less any such indebtedness, it shall be entitled to a deed for the real property from the original school corporation.

(Formerly: Acts 1959, c.89, s.2.)

IC 20-4-15-3

Assumption of indebtedness by acquiring civil city or town

Sec. 3. Whenever any civil city or town shall after March 9, 1959, annex territory and the original school corporation at the time of annexation has an outstanding indebtedness, other than the indebtedness to be paid by the acquiring school corporation under section 2 of this chapter, the civil city or town shall assume and pay as the same shall become due, a portion of all installments of principal and interest which fall due on such indebtedness after the end of the last calendar year in which the original school corporation is entitled to receive current tax receipts from property tax levies on the property in the annexed territory. Such proportion shall be the same proportion as the valuation of the real property in the annexed territory bears to the valuation of all of the real property in the original school corporation, as the same is assessed for general

taxation immediately prior to the annexation. Such payments shall be made to the original school corporation as agent for payment to the holders of the indebtedness.

(Formerly: Acts 1959, c.89, s.3.) As amended by P.L.2-1988, SEC.505.

IC 20-4-15-4

Constitutional limitation on assuming indebtedness of acquired territory

Sec. 4. No annexation of territory by any civil city or town shall be effective if as a result of such annexation the liability of the civil city or town or of the acquiring school corporation imposed by this chapter would cause the entire indebtedness of such civil city or town or of such acquiring school corporation to exceed the constitutional limitation thereon.

(Formerly: Acts 1959, c.89, s.4.) As amended by P.L.2-1988, SEC.506.

IC 20-4-15-5

Construction of chapter

Sec. 5. This chapter shall not be construed to permit or prohibit any annexation, except as provided in section 4 of this chapter, or to determine whether or to what extent any action by any civil city or town shall cause territory in an original school corporation to be acquired by another school corporation.

(Formerly: Acts 1959, c.89, s.5.) As amended by P.L.138-1986, SEC.2; P.L.2-1988, SEC.507.

IC 20-4-15-6

Repeal of certain acts

Sec. 6. This chapter shall apply to all annexations occurring after March 9, 1959. The rights, privileges, or duties running for the benefit of or imposed upon any municipal corporation on or after March 9, 1959, arising on account of any annexation occurring prior to March 9, 1959, shall remain unimpaired and shall be exercised and enforced after that date as though the repeal of the following statutes had not been enacted:

Acts 1893, c.109, s.1

Acts 1919, c.84

Acts 1927, c.219

Acts 1935, c.158.

(Formerly: Acts 1959, c.89, s.6.) As amended by P.L.2-1988, SEC.508.